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# Marketing and Farm Supply Cooperatives

Livestock Producer  
Membership and Use, 1980



# **Abstract**

## **Marketing and Farm Supply Cooperatives: Livestock Producer Membership and Use, 1980**

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A survey of livestock producers throughout the United States showed 31 percent were members of marketing/farm supply cooperatives in 1980. An additional 18 percent used these cooperatives as nonmember patrons. Twelve percent of all livestock producer members used marketing and 28 percent used farm supply cooperatives.

The greatest proportion of livestock producers holding cooperative membership were in the Northern Plains and among producers with larger farm sales. The smallest proportion holding cooperative membership were livestock producers in the South Central region and among those with smaller farm sales.

Fifty-one percent of all livestock producers neither held membership in nor patronized any marketing/farm supply cooperative in 1980.

**Key words:** Farmer cooperatives, marketing cooperatives, farm supply cooperatives, cooperative membership, livestock producers.

# Preface

This study describes some major characteristics of livestock producers who held membership in marketing/farm supply cooperatives in 1980. The study should be useful to livestock producers, cooperative leaders, and others developing cooperative programs to better serve livestock producers. It provides information on membership in general and proportion of members and nonmembers using marketing/farm supply cooperatives. The information is presented by region and farm size. Where possible, the information on livestock producers is compared with all other farmers and the totals for all farmers are included.

The focus is on membership in, and use of, marketing/farm supply cooperatives of just the 1.1 million livestock producers. The report does not include others engaged in livestock operations or otherwise eligible for cooperative membership. Also excluded are those holding membership but who were retired or not farming at the time of the survey; and landlords who rented farmland on a share basis and held cooperative membership because they marketed their share of farm production or purchased their share of farm supplies cooperatively. (See definitions in appendix.)

The report is based on special questions included in the June 1981 Acreage and Livestock Enumerative Survey conducted by the Statistical Reporting Service. About 17,000 producers were interviewed in person for the information summarized here.

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## Highlights

Thirty-one percent of all livestock producers held membership in and used marketing/farm supply cooperatives in 1980. Another 18 percent patronized cooperatives as nonmember patrons. Thus, 49 percent of livestock producers patronized cooperatives, compared with 61 percent for all other types of producers. Of those livestock producers holding membership, 29 percent reported multiple memberships, compared with 46 for other types of producers.

Membership of livestock producers in and use of cooperatives were greatest in the Northern Plains (61 percent) and lowest in the South Central region (16 percent).

Level of cooperative membership increased among livestock producers with increased farm size—from 21 percent of those with sales of under \$5,000 to 70 percent of those with sales of \$100,000 and over. In nearly all regions and size categories livestock producers were less likely to hold cooperative membership than other types of producers.

Only 12 percent of livestock producers held membership in and used marketing cooperatives. Another 4 percent used marketing cooperatives but did not hold membership in them. The 16 percent is less than half the 35 percent for other types of producers. Much of the low level of cooperative marketing activity among livestock producers seems to be associated with the large proportion of small livestock operations as well as their diverse livestock production in many regions.

Twenty-eight percent of livestock farmers held membership in and used farm supply cooperatives. An additional 17 percent patronized these cooperatives as nonmember patrons. Consequently, only 45 percent of livestock producers used farm supply cooperatives, compared with 53 percent for all other types of producers.

Fifty-one percent of all livestock producers held no cooperative membership and did no business with cooperatives in 1980, in contrast with 39 percent for other types of producers. The least involvement in cooperatives by livestock producers was in the South Central region, and among operators of smaller farms.





# Marketing and Farm Supply Cooperatives:

## Livestock Producer Membership and Use, 1980

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About 1.8 million of the Nation's 2.4 million farm operators raise livestock, excluding poultry and dairy products. Livestock production generates more than half of all cash farm receipts. In 1980, about 1.1 million were classified as livestock producers, deriving the major portion of their gross income from the sale of livestock and livestock products. Because they comprise such a large segment of the farm population, the attitudes and opinions of livestock producers toward the cooperative form of business strongly influence the structure, growth, and effectiveness of many producer marketing and farm supply cooperatives throughout the Nation.

### Cooperative Membership and Use

About 340,000, or 31 percent, of the estimated 1.1 million active resident livestock farm operators<sup>1</sup> held membership in one or more marketing/farm supply cooperatives in 1980.

Collectively, livestock producers held 485,000 memberships, an average of 1.4 memberships each. Another 195,000 livestock producers used cooperatives as nonmember patrons. Thus, 49 percent of all livestock producers were either members or nonmember patrons of at least one marketing/farm supply cooperative in 1980 (table 1). An additional 119,000 memberships were held by partners and/or other family members involved in the farming operation.

This pattern of cooperative membership and use found among livestock farm operators is substantially below the level of membership and use

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<sup>1</sup>A resident livestock farm operator is the principal member of a livestock farming enterprise. In a partnership, the resident farm operator is the person making day-to-day decisions, such as the father in a father-son partnership, unless the son is the principal decisionmaker, or the oldest partner if decisionmaking is shared equally. Throughout this report, resident livestock farm operators are referred to as "livestock producers" while all other resident operators are "other farmers."

**Table 1—Livestock producers and other farmers reporting cooperative membership and nonmember patronage, 1980**

Category	Livestock producers			Other farmers			All farmers		
	Members	Nonmember patrons <sup>1</sup>	Total	Members	Nonmember patrons <sup>1</sup>	Total	Members	Nonmember patrons <sup>1</sup>	Total
<b>Region:</b>									
Eastern	29	24	53	37	18	55	34	21	55
Lake States	39	19	58	57	12	69	52	14	66
Corn Belt	45	18	63	49	15	64	47	16	63
Northern Plains	61	11	72	71	9	80	67	10	77
South Central	16	12	28	35	15	50	21	13	34
Western	24	19	43	41	12	53	34	15	49
<b>Farm size:</b>									
Under \$5,000	21	19	40	20	18	38	21	18	39
\$5,000-\$9,999	30	21	51	38	15	53	34	18	52
\$10,000-\$19,999	38	20	58	48	16	64	44	17	61
\$20,000-\$39,999	46	15	61	54	15	69	51	15	66
\$40,000-\$99,999	54	12	66	64	14	78	62	13	75
\$100,000 and over	70	10	80	68	10	78	69	10	79
Average	31	18	49	46	15	61	40	16	56

<sup>1</sup>Held no cooperative memberships.

among other types of producers. Membership among other types of producers averaged 46 percent, compared with 31 percent for livestock producers. The combined member and nonmember use of other producers was 61 percent, compared with 49 percent for livestock producers.

### **Membership by Region and Farm Size**

Livestock producers' cooperative membership was greatest in the Northern Plains<sup>2</sup> and Corn Belt (61 and 45 percent) and least in the South Central and Western regions (16 and 24 percent) (table 2). Characteristically, the proportion of livestock producers holding cooperative membership increased as size of farm increased. Only 21 percent of livestock producers with annual sales of under \$5,000 held cooperative membership. This ranged as low as 12 percent for livestock producers in the South Central region to a high of 33 percent in the Northern Plains. On the other hand, livestock producers with sales of \$100,000 and over reported 70 percent holding cooperative membership with a better than 75 percent membership in the Lake States, Northern Plains, and Corn Belt.

The low level of cooperative membership among smaller livestock producers strongly influences not only the level of membership among livestock producers but has a considerable impact on the level of membership reported for producers of all types. Livestock producers with annual sales of under \$10,000 accounted for 77 percent of all livestock producers holding no cooperative membership. In addition, they also accounted for 39 percent of all types of producers with no cooperative membership.

### **Multiple Memberships**

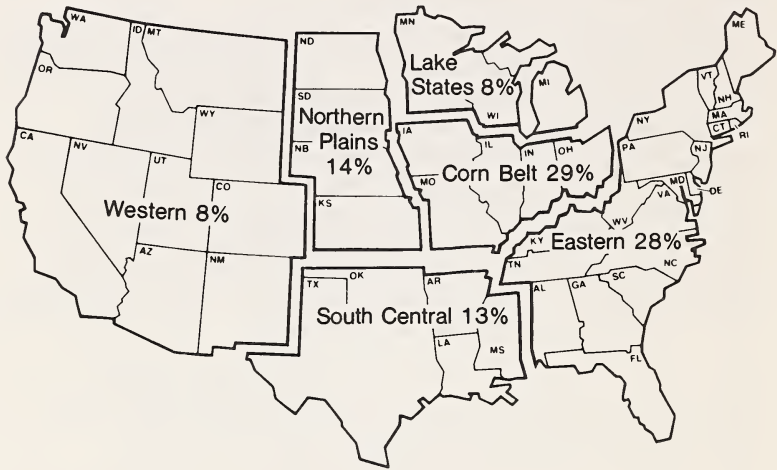
Of those livestock producers who were cooperative members, less than a third reported multiple membership. This compares with about 45 percent for all other types (table 3). The low level of multiple membership among livestock producer members was found most frequently in the Eastern and South Central regions (about 20 percent). Most livestock farms in these areas are small with some 80 percent reporting sales of under \$10,000. By contrast, about half the livestock producer members in the Lake States and Northern Plains—where such farms tend to be larger—reported multiple memberships.

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<sup>2</sup>See figure 1 for States in each region and appendix table 1 for number of livestock farms by region and size.

Figure 1

**Regional Distribution of Livestock Producers Holding Membership in Marketing/Farm Supply Cooperatives, 1980**



**Table 2—Livestock producers reporting cooperative membership by region and farm size, 1980**

Farm size	Eastern	Lake States	Corn Belt	Northern Plains	South Central	Western	United States
	Percent						
Under \$5,000	23	28	30	33	12	18	21
\$5,000 - \$9,999	33	38	35	53	20	19	30
\$10,000 - \$19,999	43	43	47	62	20	22	38
\$20,000 - \$39,999	55	54	50	55	30	35	46
\$40,000 - \$99,999	43	62	63	73	27	35	54
\$100,000 and over	51	96	78	83	41	47	70
Average	29	39	45	61	16	24	31

**Table 3—Livestock producers and other farmers reporting number of cooperative memberships, 1980**

	Livestock producers			Other farmers			All farmers		
	1	2 or more	Total	1	2 or more	Total	1	2 or more	Total
<i>Percent</i>									
<b>Region:</b>									
Eastern	23	6	29	22	16	38	22	12	34
Lake States	19	21	40	23	34	57	22	30	52
Corn Belt	31	13	44	31	18	49	31	16	47
Northern Plains	31	30	61	31	40	71	31	36	67
South Central	13	3	16	20	14	34	15	6	21
Western	19	6	25	26	15	41	23	11	34
<b>Farm size:</b>									
Under \$5,000	18	3	21	16	4	20	17	4	21
\$5,000 - \$9,999	24	6	30	26	12	38	25	9	34
\$10,000 - \$19,999	25	13	38	32	16	48	29	15	44
\$20,000 - \$39,999	29	17	46	29	24	53	29	22	51
\$40,000 - \$99,999	30	24	54	30	34	64	29	32	61
\$100,000 and over	32	38	70	27	41	68	29	40	69
Average	22	9	31	25	21	46	24	16	40

Livestock producers were much less likely to hold cooperative membership than other types of producers—31 percent, compared with 46 percent. They also were less likely to hold multiple memberships—9 percent compared with 21 percent. Among livestock producer members with sales of under \$5,000, only one in seven held multiple memberships. But, multiple memberships were held by more than half the livestock producer members with sales of \$100,000 and over. The high rate of multiple membership is probably because a greater proportion of the larger livestock producers are marketing cooperatively other farm products in addition to livestock. They may also find they must patronize more than one cooperative to obtain needed farm supplies.

### **Distribution of Memberships**

Most cooperative memberships held by livestock producers were in the Eastern and Corn Belt regions. They accounted for 25 percent and 28 percent, respectively, of total livestock producers' cooperative memberships (table 4). Only 8 percent of such memberships were in the Western region and 11 percent each in the Lake States and South Central regions. Among other types of producers, cooperative memberships were largely located in the Eastern, Lake States, and Corn Belt (68 percent of their total memberships) with only 6 percent located in the South Central region.

Fourteen percent of livestock producers reported sales of \$40,000 and over and accounted for 35 percent of total livestock producers' memberships. On the other hand, 55 percent of these livestock producers had sales of under \$5,000 and held 31 percent of the memberships. The relatively large proportion of livestock producers' cooperative memberships found among those with sales of \$5,000 and under was due primarily to the very high proportion of all livestock producers in that sales category. In the other producer group, those with sales of \$40,000 and over (36 percent) held 59 percent of the total cooperative memberships while the under-\$5,000 group (27 percent) accounted for only 8 percent of memberships.

### **Membership in Marketing Cooperatives**

Only 130,000, or 12 percent, of livestock producers held membership in and used a marketing cooperative in 1980, compared with 30 percent for all other producers (table 5).<sup>3</sup>

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<sup>3</sup>The survey was designed to establish membership in and use of marketing cooperatives, not whether the products marketed were the principal ones produced.



**Table 4—Distribution of cooperative memberships held by livestock producers and other farmers, 1980**

Category	Cooperative memberships		
	Livestock producers	Other farmers	All farmers
<b>Region:</b>	<i>Percent</i>		
Eastern	25	24	24
Lake States	11	23	20
Corn Belt	28	21	24
Northern Plains	17	16	16
South Central	11	6	7
Western	8	10	9
<b>Farm size:</b>			
Under \$5,000	31	8	15
\$5,000-\$9,999	11	7	8
\$10,000-\$19,999	12	10	11
\$20,000-\$39,999	11	16	15
\$40,000-\$99,999	16	31	26
\$100,000 and over	19	28	25
Total	100	100	100

Involvement with marketing cooperatives by livestock producers is similar to the pattern of participation by other types of producers, although it is not as large. Both groups report low levels of marketing cooperative use in the Eastern, South Central, and Western regions. Higher levels are reported in the remaining regions but by far the highest level is in the Northern Plains.

The lack of membership and use of marketing cooperatives by livestock producers in the South Central and Eastern regions (5 and 6 percent) where more than half of all livestock farms are located is largely responsible for the low national averages on livestock producers' use of cooperatives. It tends to overshadow the rather substantial use of marketing cooperatives by livestock producers in the Northern Plains (43 percent) and those with sales of \$40,000 and over (37 percent).

Further, it appears the major reason for the low level of cooperative marketing among livestock producers in the South Central and Eastern regions is due to the dominance of small livestock producers. About 80 percent of the livestock producers in those two regions had sales of under \$10,000 while two out of three had sales of under \$5,000. Livestock producers in those sales brackets are least likely to be involved with marketing cooperatives.

Table 5—Livestock producers and other farmers reporting number of cooperatives used to market their farm products, 1980

Category	Livestock producers			Other farmers			All farmers		
	1	2 or more	Total	1	2 or more	Total	1	2 or more	Total
<i>Percent</i>									
<b>Region:</b>									
Eastern	5	1	6	14	3	17	10	2	12
Lake States	15	3	18	26	13	39	24	10	34
Corn Belt	15	5	20	25	7	32	21	6	27
Northern Plains	30	13	43	38	20	58	35	17	52
South Central	4	1	5	16	7	23	7	3	10
Western	6	1	7	21	5	26	15	3	18
<b>Farm size:</b>									
Under \$5,000	4	( <sup>1</sup> )	4	7	1	8	5	( <sup>1</sup> )	5
\$5,000-\$9,999	8	1	9	14	3	17	11	2	13
\$10,000-\$19,999	15	3	18	23	4	27	20	4	24
\$20,000-\$39,999	16	5	21	27	9	36	24	7	31
\$40,000-\$99,999	22	9	31	32	14	46	29	13	42
\$100,000 and over	27	18	45	34	18	52	32	18	50
Average	9	3	12	22	8	30	16	6	22

<sup>1</sup>Less than 0.5 percent



Another explanation for the low membership in the South Central and Eastern regions is the probability of greater diversity in the type of livestock and livestock products. Products as diverse as cull cows, feeder pigs, and wool generally require different type marketing facilities, have distinctively different market outlets, and have little overlapping of buyers. These factors, along with the typical small marketing volume of these producers, apparently make it difficult to organize and operate marketing cooperatives that would attract the necessary membership.

### **Membership in Farm Supply Cooperatives**

Like other major types of producers, more livestock producers held membership in and used farm supply cooperatives (or the farm supply services of marketing/farm supply cooperatives) than in marketing cooperatives or the marketing services of marketing/farm supply cooperatives.

As with membership in and use of marketing cooperatives, livestock producers regionally reflect the pattern but not the magnitude of other producers' use of cooperative farm supply services (table 6). In the South Central region, only one in seven livestock producers used supply cooperatives, compared with about one in four for other producers. By contrast, livestock producers in the Corn Belt were only marginally behind other producers in the use of supply cooperatives (39 and 43 percent).

When use of supply cooperatives is examined by size of farm, a distinctly different picture emerges. Here, the smallest (under \$5,000) livestock producers were only half as likely to use the marketing services as other producers. But the largest — \$100,000 and over — the two producer types were essentially the same. Use of supply cooperatives by livestock producers operating the smallest farms — those with under \$5,000 in annual sales — and operators with sales of \$100,000 and over were more involved with their supply cooperatives than were other producers. In the other size categories, livestock producers were somewhat less likely to hold membership in and use a farm supply cooperative but the difference was not significant.

### **Nonparticipating Members**

With a few exceptions, producers who belong to cooperatives tend to patronize their organization regularly. Reasons for not patronizing may include crop failure, change in type of farming, and better deals elsewhere.

About 40,000, or 8 percent, of livestock producers held membership in

**Table 6—Livestock producers and other farmer members reporting number of cooperatives used to purchase farm production supplies, 1980**

Category	Livestock producers			Other farmers			All farmers		
	1	2 or more	Total	1	2 or more	Total	1	2 or more	Total
<i>Percent</i>									
<b>Region:</b>									
Eastern	23	4	27	24	8	32	23	6	29
Lake States	22	13	35	25	23	48	25	20	45
Corn Belt	30	9	39	32	11	43	31	10	41
Northern Plains	39	18	57	41	25	66	40	23	63
South Central	12	2	14	19	9	28	14	4	18
Western	19	3	22	21	6	27	20	5	25
<b>Farm size:</b>									
Under \$5,000	16	2	18	14	2	16	15	2	17
\$5,000-\$9,999	23	3	26	25	7	32	24	5	29
\$10,000-\$19,999	27	7	34	31	8	39	29	8	37
\$20,000-\$39,999	30	11	41	32	13	45	31	13	44
\$40,000-\$99,999	36	14	50	34	22	56	34	20	54
\$100,000 and over	38	27	65	34	24	58	36	24	60
Average	22	6	28	27	12	39	25	9	34

cooperatives but did no business with them in 1980. This proportion of nonuse is the same as among other types of producers (table 7). The greatest level of nonuse of memberships by livestock producers (11 percent) was in the Lake States. But half the total unused memberships were in the Eastern and Corn Belt regions (52 percent). Rate of nonparticipation among livestock producers was essentially the same for producers of all sizes. By contrast, among other types of producers the proportion of unused memberships tended to decline as farm size increased.

### **Nonmember Patrons**

Nonmember producers who patronized cooperatives fell into two broad groups: nonmember patrons of one cooperative who held membership in another, and nonmember patrons with no cooperative membership anywhere. Livestock producers in the second group can be added to those reporting cooperative membership to get a closer (49 percent) estimate of the proportion served by cooperatives.

About 50,000, or 5 percent, of livestock producers held membership in at least one cooperative and patronized other cooperatives on a nonmember basis in 1980 (table 8). This compares with 8 percent for other types of producers. Two percent marketed as nonmembers, while 4 percent purchased on the same basis. Nonmember livestock patrons were proportionately greater in the Northern Plains and among those who operated larger farms. The very low proportion of livestock producers with sales of under \$5,000 who held cooperative membership but patronized other cooperatives as nonmembers (3 percent) appears consistent with the low proportion who held multiple memberships (3 percent). It would indicate that these producers limited their membership and activity to just one cooperative.

About 195,000, or 18 percent, of livestock producers reported no membership but conducted some business with at least one cooperative in 1980 (table 9). This compares with 15 percent for all other types of producers. Four times as many of these livestock producers used purchasing compared to marketing services. These nonmember patrons were fairly well distributed throughout the Nation with the greatest concentration in the Eastern region (24 percent) and least in the Northern Plains (11 percent).

Farm size was a factor influencing the frequency with which livestock producers patronized cooperatives as nonmembers patrons. Twenty percent of all livestock producers with annual sales of under \$20,000 held no cooperative membership but patronized marketing/farm supply cooperatives, compared with 10 percent for those with \$100,000 and over.

Table 7—Livestock and other producers reporting cooperative memberships held but not used in 1980

Category	Livestock farmers			Other farmers			All farmers		
	Memberships not used	Distribution of unused memberships	Memberships not used	Distribution of unused memberships	Memberships not used	Distribution of unused memberships	Memberships not used	Distribution of unused memberships	
Percent									
Region:									
Eastern	8	25	8	25	8	25	8	25	
Lake States	11	14	6	20	7	18	7	18	
Corn Belt	8	27	10	27	9	27	9	27	
Northern Plains	9	19	7	16	7	17	7	17	
South Central	8	10	6	4	8	6	8	6	
Western	6	5	6	8	6	7	6	7	
Farm size:									
Under \$5,000	9	34	11	12	10	20	10	20	
\$5,000-\$9,999	8	11	8	8	8	9	8	9	
\$10,000-\$19,999	10	14	10	13	10	14	10	14	
\$20,000-\$39,999	8	11	7	15	7	14	7	14	
\$40,000-\$99,999	7	13	7	29	7	23	7	23	
\$100,000 and over	8	17	6	23	6	20	6	20	
Average	8	100	8	100	8	100	8	100	

**Table 8—Livestock producers holding cooperative memberships who dealt with other cooperatives on a nonmember patron basis, 1980<sup>1</sup>**

Category	Marketing	Purchasing	Marketing and/or purchasing
<i>Percent</i>			
<b>Region:</b>			
Eastern	1	4	5
Lake States	2	3	4
Corn Belt	3	6	6
Northern Plains	6	8	9
South Central	1	3	3
Western	1	4	4
<b>Farm size:</b>			
Under \$5,000	1	2	3
\$5,000-\$9,999	1	4	4
\$10,000-\$19,999	3	7	8
\$20,000-\$39,999	5	7	8
\$40,000-\$99,999	5	9	9
\$100,000 and over	7	9	11
Average	2	4	5

<sup>1</sup>As a percentage of all livestock producers.

Generally, producers may patronize a cooperative but not hold membership in the organization for a number of reasons:

- Refusal to meet all membership requirements, such as mandatory membership in other farm organizations or purchase of voting stock;
- Desire to avoid tax consequences of noncash patronage refunds;
- Insufficient volume of business to qualify; and
- Desire for independence from organizational involvement, religious prohibition, and the like.

The figures on all nonmember patronage of marketing and farm supply cooperatives cannot be combined with those on member patronage to obtain estimates of total use of marketing or farm supply cooperatives. A producer may, for example, be a nonmember patron of a marketing cooperative and a member patron of another and be counted twice. Eliminating this duplication, estimated proportion of livestock producers using marketing cooperatives in 1980 was 16 percent, 12 percent for member patrons and 4 percent for nonmember patrons. Proportion of

**Table 9—Livestock producers who held no cooperative membership but were nonmember patrons of cooperatives in 1980<sup>1</sup>**

Category	Marketing	Purchasing	Marketing and/or purchasing
<i>Percent</i>			
<b>Region:</b>			
Eastern	3	24	24
Lake States	6	16	19
Corn Belt	7	17	18
Northern Plains	4	10	11
South Central	2	12	12
Western	3	18	19
<b>Farm Size:</b>			
Under \$5,000	3	18	19
\$5,000-\$9,999	5	20	21
\$10,000-\$19,999	5	19	20
\$20,000-\$39,999	6	14	15
\$40,000-\$99,999	4	11	12
\$100,000 and over	4	10	10
Average	4	17	18

<sup>1</sup>As a percentage of all livestock producers.

livestock producers using farm supply cooperatives was 45 percent, 28 percent for member patrons and 17 percent for nonmember patrons.

### **Nonmember Nonpatrons**

About 550,000, or 51 percent, of all livestock producers held neither membership in nor patronized a marketing/farm supply cooperative in 1980 (table 10). In the South Central region, 72 percent of these producers reported they held neither membership in nor patronized a cooperative, compared with just 28 percent for the Northern Plains. There was a strong inverse relationship between cooperative use and farm size. Sixty percent of all livestock producers with annual sales of under \$5,000 reported no use of cooperatives. This percentage declined for each larger group until only 20 percent of livestock producers with sales of \$100,000 and over reported no use of cooperatives.

Livestock producers differed most substantially from other producers in their lack of membership in the South Central region.



**Table 10—Livestock producers and other farmers who held no cooperative membership and patronized no cooperatives, 1980**

Category	Livestock producers	Other farmers	Total farmers
<i>Percent</i>			
<b>Region:</b>			
Eastern	46	44	45
Lake States	41	31	34
Corn Belt	38	36	37
Northern Plains	28	20	23
South Central	72	50	66
Western	57	47	51
<b>Farm size:</b>			
Under 5,000	60	62	61
\$5,000-\$9,999	49	47	48
\$10,000-\$19,999	43	36	39
\$20,000-\$39,999	39	32	34
\$40,000-\$99,999	35	22	25
\$100,000 and over	20	22	21
Average	51	39	44

## Conclusions

Livestock producers are less likely to hold membership in and use cooperatives than other major types of producers. This is most pronounced in the use of cooperative marketing services—12 percent compared with 30 percent. Also, only 28 percent use cooperative farm supply services, compared with 39 percent of other producers. This may be primarily because a relatively large proportion of livestock farms are very small. Many of these producers apparently feel little need for cooperative marketing and farm supply services. Where small livestock farms produce diverse types of livestock, such as in the Eastern and South Central regions, there is an even lower level of cooperative marketing activity.

The large proportion of livestock producers who patronized no cooperatives in 1980 (51 percent) and the very low level of participation in the South Central region (28 percent) suggest the need for more understanding of cooperative marketing and farm supply programs that would better serve these livestock producers.

# Appendix

## Definitions

**Marketing/farm supply cooperatives**—Farmer cooperatives operating as marketing, farm supply, or both. Bargaining associations are counted as marketing cooperatives. Also included are cooperatives providing services related to marketing or furnishing farm supplies, such as cotton gins, rice dryers, and transportation cooperatives. These cooperatives usually provide for one vote per member, limited return on invested capital, and return of net margins to member patrons or all patrons on a patronage basis. They also obtain more than half their business from members.

Excluded from this study are cooperatives organized by producers to provide production services, such as farm management, credit, fire insurance, electricity, and irrigation. Also excluded are cooperatives providing personal services and products, such as cooperative hospitals and medical clinics, burial societies, community (cooperative) water systems, and cooperative grocery stores.

**Member patrons**—Farmers who held membership in a marketing/farm supply cooperative who either marketed products through or purchased farm supplies from it in 1980.

**Nonmember patrons**—Farmers who had no membership in a marketing/farm supply cooperative but who marketed products through or purchased farm supplies from a cooperative in 1980.

**Nonmember Nonpatron**—Farmers who neither held membership in nor patronized a marketing/farm supply cooperative.

**Farms**—Places from which \$1,000 or more of agricultural products were sold during 1980.

**Farm classification**—Farms classified by their main source of gross revenue. In this study, they were grouped into “livestock” and “other” classifications.



**Appendix table 1—Livestock producers by region and size, 1980**

Farm size	Eastern	Lake States	Corn Belt	Northern Plains	South Central	Western	United States
<i>Thousands</i>							
Under \$5,000	211	34	95	13	192	59	604
\$5,000-\$9,999	50	10	25	7	40	12	144
\$10,000-\$19,999	26	10	17	12	27	12	104
\$20,000-\$39,999	14	3	19	18	17	10	81
\$40,000-\$99,999	11	6	27	20	13	12	89
\$100,000 and over	5	3	28	15	6	10	67
Total	317	66	211	85	295	115	1,089

## **U.S. Department of Agriculture Agricultural Cooperative Service**

Agricultural Cooperative Service provides research, management, and educational assistance to cooperatives to strengthen the economic position of farmers and other rural residents. It works directly with cooperative leaders and Federal and State agencies to improve organization, leadership, and operation of cooperatives and to give guidance to further development.

The agency (1) helps farmers and other rural residents obtain supplies and services at lower costs and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs.

The agency publishes research and educational materials, and issues *Farmer Cooperatives*. All programs and activities are conducted on a nondiscriminatory basis, without regard to race, creed, color, sex, or national origin.